



Managing Consumer Fairness Perceptions to Increase Lifetime Customer Value

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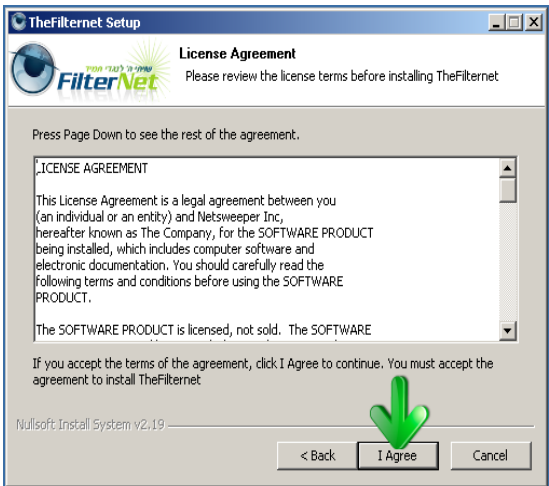
Objectives

- 1. Formally present the framework of consumer fairness construction
- 2. Suggest propositions that can be further explored in future research
- 3. Present practical cases relevant to each proposition to stimulate discussion

P3: Emphasizing the respect consumers receive during relevant procedures will enhance fairness perceptions.



P4: Emphasizing the thoroughness of explanations offered to consumers will enhance fairness perceptions.



Guiding Principle

P8: Increasing (vs. decreasing) the ambiguity of the information surrounding a situation will lead to the equality (vs. equity) rule to be chosen as the guiding principle.



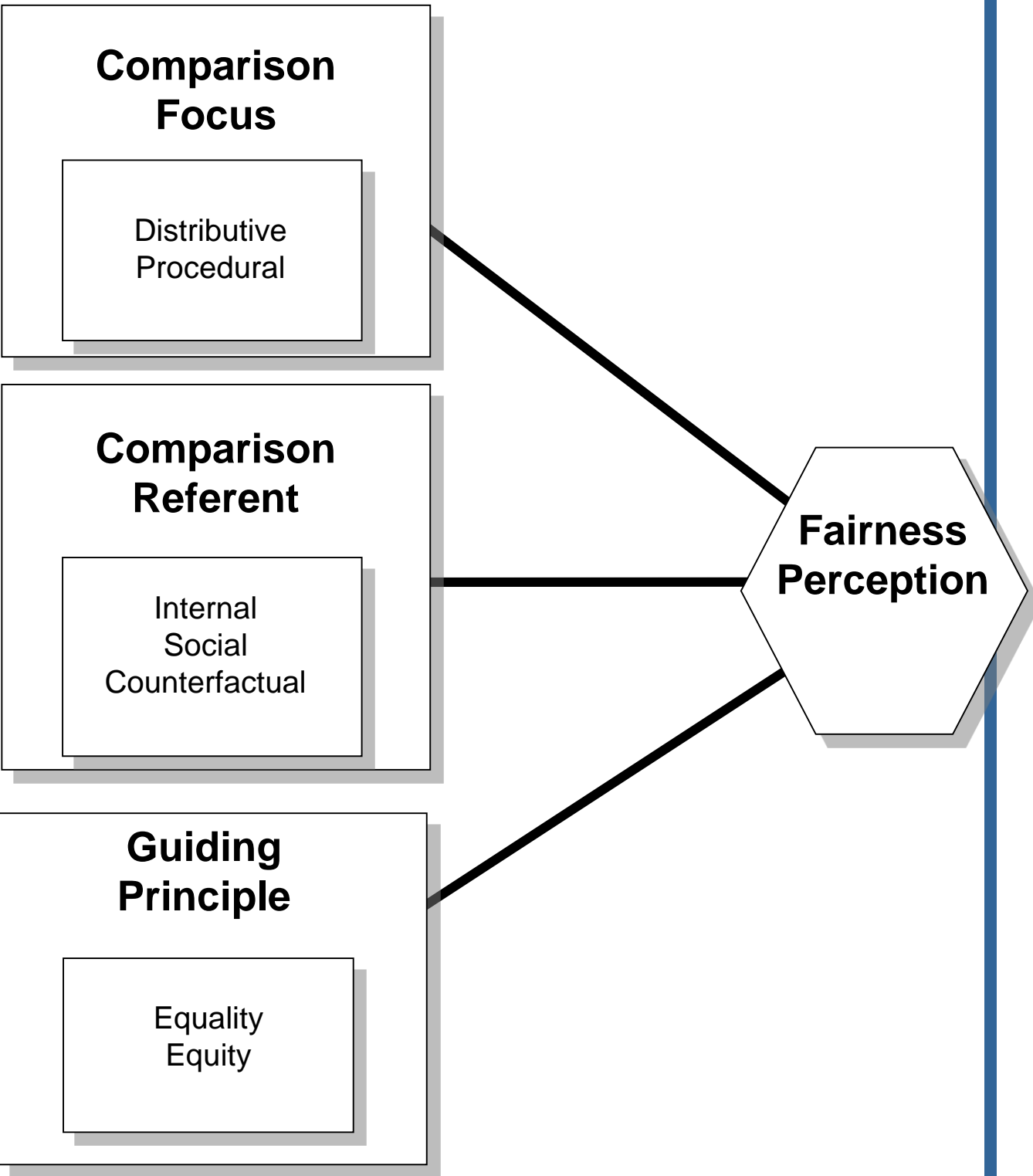
P9: Decreasing (vs. increasing) consumers' cognitive resources will prompt the equality (vs. equity) rule to be chosen as the guiding principle.



P10: In short-term (vs. long-term) relationships with firms that appear non-personal (vs. personal), consumers will use equity (vs. equality) rule as the guiding principle to evaluate the comparison result.



Conceptual Framework



Comparison Referent

P5: Directing consumers to utilize inferior comparison referent will benefit fairness perceptions.



P6. Influencing the salience of different comparison referent will affect consumers' fairness perceptions.



P7: Influencing the goal mindset of consumers will affect consumers' fairness perceptions.



Propositions and Cases

Comparison Focus

P1: Given unequal (vs. equal) outcomes, emphasizing the procedural aspect (vs. distributive) as the comparison focus will improve consumer perceptions of fairness.



P2: Emphasizing the presence of a voice in the procedural comparison focus will enhance fairness perceptions.



General Discussion

Consumer behaviors arising from perceptions of unfairness will not only immediately decrease a firm's sales, but also may drastically deteriorate the firm's reputation and long-term equity.

Firms wishing to maximize lifetime customer value must consider how fair their consumers perceive them to be, in order to satisfy current customers and attract new customers.

Considering each component of framework can yield strategic insights for enhanced fairness perceptions and to maximize lifetime customer value.